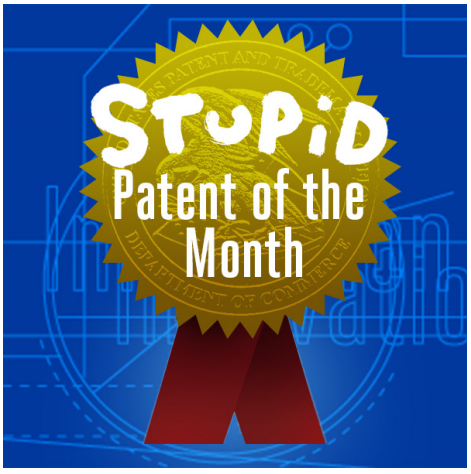
Exhibit 2

to

ADS's Motion for Judgment on the Pleadings

AUGUST 31, 2015 | BY DANIEL NAZER

Stupid Patent of the Month: A Drink Mixer Attacks the Internet of Things



Imagine if the inventor of the Segway claimed to own "any thing that moves in response to human commands." Or if the inventor of the telegraph applied for a patent covering any use of electric current for communication. Absurdly overbroad claims like these would not be allowed, right? Unfortunately, the Patent Office does not do a good job of policing overly broad claims. August's Stupid Patent of the Month, U.S. Patent No. 8,788,090, is a stark example of how these claims promote patent trolling.

A patent troll called Rothschild Connected Devices Innovations, LLC ("RCDI") owns a family of patents on a system of customizing products. Each of these patents stems from the same 2006 application. The idea is simple: connect some kind of product mixer to the Internet and allow users to make custom orders. The application suggests using the system to make beverages or shampoo.

Here's how the application describes the invention:

> The system and method of the present disclosure enables a user, e.g., a consumer, to customize products containing solids and fluids by allowing a server communicating over the global computer network, e.g., the Internet, to provide product preferences of a user to a product or a mixing device, e.g., a product or beverage dispenser.

Even in 2006, this was a spectacularly mundane idea. The application did not disclose any new networking technology. Nor did it reveal any new beverage-making technology. It just connects a product mixer to the Internet. Any claim to such a humdrum combination should be found invalid as obvious.

All of the patents in this family are pretty silly. But it get worse. RCDI's most recently granted patent, U.S. Patent No. 8,788,090, includes an extremely broad claim. Claim 1 purports to cover any system where a "remote server" "transmits" a "product preference" to a product via a "communication module." This is madness. RCDI is effectively claiming to have invented the idea of remote configuration … in 2006. Even if other claims in this patent family are valid (something we doubt), the Patent Office should never have allowed this claim.

Taking an extremely broad view of this patent claim, RCDI has sued a collection of companies, including ADT, Cisco, Protect America, OnStar, and Rain Bird. It seems that any company that sells products that connect to the Internet is at risk. For example, in its complaint against ADT,

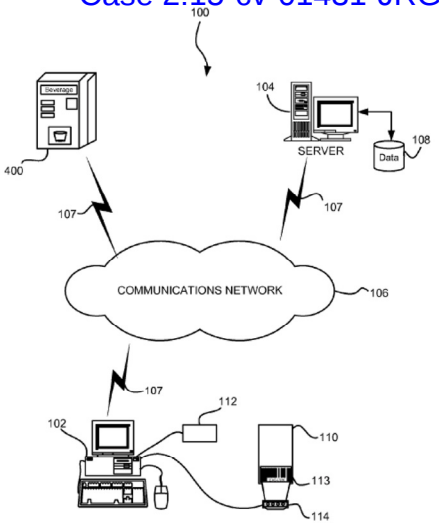


FIG. 1

RCDI states that a system that allows customers to "remotely customize the operation" of a "thermostat" infringes its patent. Having supposedly invented an online beverage mixer, RCDI is now asserting its patent against the entire Internet of Things.

Even though it traces priority back to a 2006 parent application, this month's stupid patent is not the product of some earlier, less diligent, era at the Patent Office. The "continuation" application that led to this patent was filed in March 2013 and the patent issued in July 2014. This illustrates how applicants use the continuation process (which allows them to file an unlimited number of new applications based on a previous patent application) to try to get ever broader claims issued. Too often, once the Patent Office issues one patent in a family, examiners are overly lenient allowing continuation applications. This month's winner likely would have never issued if the examiner had diligently applied *KSR v. Teleflex*'s prohibition on obvious combinations.

There will be no prize for guessing where RCDI has filed all of its litigation: the Eastern District of Texas. We recently explained that the Eastern District is the venue of choice for trolls. Its unique, plaintiff-friendly rules make it easier for trolls to use the cost of defense to extort settlements, even when the underlying case is weak.

We need broad patent reform to stop abusive patent litigation. We need litigation reform (including venue reform) that makes patent trolling less attractive. We also need reform at the Patent Office so that it doesn't issue terrible patents like this in the first place. Contact your representative and tell them to pass patent reform.

Files

rcdi_v_adt.pdf

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